



MICHAEL HILL CREDIT CARD

TERMS & CONDITIONS



michael hill®

WE'RE FOR LOVE™

DISCLOSURE STATEMENT¹

CREDIT CARD RATES AND FEES²

Annual Interest Rate	<p>Purchases under the Regular Credit Plan are subject to an annual interest rate of 24.99% (the “Regular Rate”). The Regular Rate is in effect as of the day your Account is activated.</p> <p>Notice will be provided to you in respect of any change in the Regular Rate and any such change shall be made in accordance with applicable law.</p>
Interest-free Grace Period	<p>You will benefit from an interest-free grace period of at least 25 days for your new Purchases if you repay your balance in full by the due date indicated on your next Account Statement following such new Purchase. If you fail to repay your balance in full by such due date, accrued interest from the date of your Purchase will become due and payable.</p>
Determination of Interest	<p>If interest is charged, it is calculated on the average daily balance for each Credit Plan and charged monthly to your Account on the last day of your billing cycle.</p> <p>Interest is calculated monthly, not in advance, on the average daily balance for each Credit Plan in that month. The “average daily balance” is the sum obtained by dividing the aggregate of all daily balances (in the applicable Credit Plan) by the number of days in the applicable monthly period. Interest is charged both before and after demand, default and judgment.</p> <p>We do not charge interest on interest unless, and until, you are in default of payment owed to us hereunder.</p>
Minimum Payment/ Account Statement	<p>The Minimum Payment calculation for your Regular Credit Plan is the greater of \$25 or a percentage of the total outstanding balance of your Regular Credit Plan. Separate Minimum Payments are also calculated for each Promotional Credit Plan. See Section 8 of the cardholder agreement below for details in respect of the calculation of Minimum Payments.</p> <p>Each month we send an Account Statement to each Cardholder’s address setting out, among other things, your Minimum Payment. We will not issue you an Account Statement if there is no outstanding balance and no Transactions have been charged to your Account (including any Promotional Credit Plans where payments and interest are waived or reduced in that month).</p>
Annual Fee³	<p>\$24.99 is charged (i) on the date of your first account statement with a balance greater than zero, and (ii) annually thereafter if, at such time, your account balance remains greater than zero.</p>

Other Fees^{4/} Cost of Borrowing	To be charged on the day any Transaction occurs:	
	Administration Fee:	None.
	NSF Fee:	\$40 for each cheque or other payment item which is dishonoured.
	Statement Copy Charge Fee:	\$5 for each additional copy of an Account Statement.

EXAMPLES OF MONTHLY CREDIT CHARGES⁵

Average Daily Balance	\$500	\$1000	\$2000
Monthly credit charges based on the Regular Rate (24.99%)	\$10	\$21	\$42

Promotional Credit Plans: You may be offered Promotional Credit Plans from time to time. Those offers are subject to the terms and conditions of this Agreement and any additional terms indicated in the offer. See Section 7 of the cardholder agreement below for details.

¹ If you have any questions in respect of this disclosure statement, please contact the Retail Credit Solutions Customer Response Team by telephone at: 1-800-209-8564 or by e-mail to: michaelhill@retailcreditsolutions.com. Further contact information is provided in the cardholder agreement below.

² This disclosure statement is dated as of the Effective Date set forth in the in-store card application contained above. The rates and fees set forth herein are subject to change from time to time in accordance with the terms of the cardholder agreement below.

³ Payment of an annual fee increases the annual percentage rate (APR) payable hereunder. APR is a finance charge expressed as an annual rate. For example: a purchase of \$1,000 under a no interest plan with a \$24.99 annual fee would result in an APR equal to 24.99%.

⁴ If you report your Card lost or stolen, you will not be liable for any unauthorized transactions that occur after you notify us. You may have to pay up to a maximum of \$50 for any amounts charged to your Account before you notify us.

⁵ Based on a billing cycle of 30 days and rounded up to the nearest \$1.00 increment.

CARDHOLDER AGREEMENT

In this Agreement, the terms “you” and “your” mean each Cardholder, as applicable, and the terms “we” and “us” mean RCS acting in its capacity as agent of Michael Hill. Some words in this Agreement are capitalized because they have special meanings; please see Section 25 for definitions of these words.

Read this Agreement carefully and keep it so you can refer to it later. You acknowledge receipt of a copy of this Agreement at the time of signing the in-store credit card application above and prior to the extension of any credit under your Account. Signing, activating or using your Card or Account means you have read this Agreement and accept its terms. Each Cardholder is individually and jointly responsible hereunder and bound by the terms hereof.

1. Card Use

A Card will be issued to each Cardholder, as applicable. You may use your Card to make Purchases and for any other type of Transaction that we allow from time to time. You authorize us to charge your Account with the amount of each Transaction. If you use your Account without presenting your Card to make a Transaction (such as making a Purchase by telephone, mail or online), we treat such Transaction the same as if you had used your Card and signed a sales slip. You must sign your Card as soon as you receive it. You agree not to use your Card or the Account for any illegal, fraudulent, improper or unlawful purpose. We reserve the right to block use of your Card and prevent use of your Account without telling you in advance if we suspect any illegal, fraudulent, improper or unlawful use of your Account.

2. Credit Limit

We will determine the maximum amount that may be charged on your Account at any time (your **"Credit Limit"**). Your Credit Limit is shown on your Card carrier that you receive with your Card. Your Credit Limit may be reduced from time to time, without prior notice to you. We will not increase your Credit Limit without obtaining the express consent of each Cardholder prior to doing so. In either case, your new Credit Limit will be shown on your following Account Statement. You hereby request any Credit Limit for which you may qualify.

You must not exceed your Credit Limit at any time. If the Total Debt owing at any time exceeds your Credit Limit, we may refuse to extend further credit until you have made payment to bring your Total Debt below your Credit Limit. We may permit your Total Debt to exceed your Credit Limit from time to time without notice to you, and you hereby authorize us to do so, but we are not required to do so even if we have done so in the past. If we allow your Total Debt to exceed your Credit Limit, each Cardholder is responsible for, and must pay, the amount by which the Total Debt exceeds your Credit Limit; such amount must be paid following receipt of an Account Statement indicating same.

3. Liability for the Total Debt

Each Cardholder is liable for and will repay the Total Debt, including any indebtedness incurred by: (i) another Cardholder, as applicable; or (ii) any other person to whom you have given either express or implied authority to use the Card or the Account.

4. Waiver of Interest Charges

Interest begins to accrue for each Transaction made under the Regular Credit Plan from the date of the Transaction until the date we receive payment in full. The order in which amounts charged to your Account are repaid is described in Section 10 below. We do not charge interest on interest unless, and until, you are in default of payment owed to us hereunder. We waive the interest charges on new Purchases made under the Regular Credit Plan and Fees which appear on your Account Statement for the first time if your New Balance is repaid in full by the due date shown on the Account Statement indicating such New Balance. Even if your New Balance is paid in full, residual interest may appear on the following month's statement.

5. Interest Calculation

Interest is calculated separately for each Credit Plan. The total interest for a billing cycle is the sum of the interest payable for each Credit Plan. The Regular Rate is shown on the disclosure statement above. The applicable interest rate for each Promotional Credit Plan will be disclosed in the promotional materials and/or sales slip related to such Promotional Credit Plan. The interest rates payable under your Account also appear on your Account Statement and are subject to change (see Section 20 below).

Interest is calculated monthly, not in advance, on the average daily balance for each Credit Plan in that month. The "average daily balance" is the sum obtained by dividing the aggregate of all daily balances (in the applicable Credit Plan) by the number of days in the applicable monthly period. Interest is charged both before and after demand, default and judgment.

6. Fees

You authorize us to charge your Account, where applicable, with the Fees shown on the disclosure statement and any additional Fees for any Promotional Credit Plans. We reserve the right to waive any Fees in our sole discretion.

7. Promotional Credit Plans

Promotional Credit Plans may be offered from time to time as specified prior to, or at the time of, a Purchase. Offers for any Promotional Credit Plan are subject to the terms of this Agreement and any additional terms and conditions contained in the promotional materials and/or sales slip provided to you. In order to qualify for any Promotional Credit Plan, your Account must be in good standing (see Section 9) and such Promotional Credit Plan remains subject to credit approval. Below are certain Promotional Credit Plans which you may be offered:

Equal Monthly Payment, No Interest Plan: No interest is payable under this plan if: (i) each Minimum Payment is made by the due date specified on your Account Statement; and (ii) the Promotional Balance is repaid in full by the Promotional Due Date. The Minimum Payment under this plan is determined by dividing the amount of the Promotional Purchase by the number of months contained in the Promotional Term, rounded up to the nearest \$1.00 increment (the applicable time period for the Promotional Term under this plan may be 12 months, 24 months or such other time period as may be agreed upon). In no case will the Minimum Payment be less than \$25; however, the Minimum Payment will never be more than the Promotional Balance. If a Minimum Payment is not made by the due date specified in your Account Statement, or your Promotional Balance is not repaid in full by the Promotional Due Date, then interest shall accrue daily on the amount of the Promotional Balance as of the date of the Promotional Purchase.

Six (6) Month Plan: No interest is payable under this plan if: (i) each Minimum Payment is made by the due date specified on your Account Statement; and (ii) the Promotional Balance is repaid in full by the Promotional Due Date (such time period being 6 months from the date of the Promotional Purchase). The Minimum Payment under this plan is determined by multiplying the amount of the Promotional Purchase by five percent (5%), rounded up to the nearest \$1.00 increment. In no case will the Minimum Payment be less than \$25; however, the Minimum Payment will never be more than the Promotional Balance. If only Minimum Payments are made, you will not repay the Promotional Balance within the Promotional Term. If a Minimum Payment is not made by the due date specified in your Account Statement, or your Promotional Balance is not repaid in full by the Promotional Due Date, then interest shall accrue daily on the amount of the Promotional Balance as of the date of the Promotional Purchase.

Reduced Rate Plan: Interest under this plan is calculated using a Reduced Rate (rather than the Regular Rate) for the duration of the Promotional Term if each Minimum Payment is made by the due date specified on your Account Statement. At the end of the Promotional Term, interest will be calculated using the Regular Rate. The Minimum Payment under this plan is determined by dividing the amount of the Promotional Purchase by the number of months contained in the Promotional Term, rounded up to the nearest

\$1.00 increment (the applicable time period for the Promotional Term under this plan may be 12 months, 24 months or such other time period as may be agreed upon). In no case will the Minimum Payment be less than \$25; however, the Minimum Payment will never be more than the Promotional Balance. If a Minimum Payment is not made by the due date specified in your Account Statement, then interest shall be calculated using the Regular Rate (rather than the Reduced Rate).

Promotional Credit Plans will terminate in the event that: (i) you do not comply with the applicable terms of the applicable Promotional Credit Plan; (ii) you fail to make any Minimum Payment required thereby; or (iii) your Account is not in good standing. Transactions that do not fall under a Promotional Credit Plan and the remaining balance under a Promotional Credit Plan that has terminated or expired are treated as Transactions under the Regular Credit Plan.

8. Minimum Payment & Prepayment

You may pay the balance of your Account in full at any time without incurring any charge or penalty. However, each month you must pay at least the amount shown as the minimum payment on your Account Statement (the **"Minimum Payment"**) by the due date specified thereon. The Minimum Payment is the sum of items (1) and (2) as calculated below, rounded up to the nearest \$1 increment:

(1) the minimum payment required for your Regular Credit Plan Balance, if any, calculated in accordance with the following table:

Amount of Regular Credit Balance	Minimum Payment
Up to \$265.00	\$25
\$265.01 to \$500.00	10% of the highest amount of the Regular Credit Balance
\$500.01 to \$750.00	9% of the highest amount of the Regular Credit Balance
\$750.01 to \$1,500.00	7% of the highest amount of the Regular Credit Balance
\$1,500.01 to \$2,500.00	6% of the highest amount of the Regular Credit Balance
\$2,500.01 and above	5% of the highest amount of the Regular Credit Balance

plus

(2) the minimum payment required for each Promotional Credit Plan, if any, as specified in Section 7 or as may be specified on any promotional material related to such Promotional Credit Plan.

For greater certainty, when the term "Minimum Payment" is used in connection with a specific Credit Plan, it shall refer to the minimum payment on your Account Statement required in respect of such Credit Plan.

In addition, past due amounts and any amount exceeding your Credit Limit are included in the Minimum Payment. Depending on the method of payment, it may take up to five business days before any payment is credited to your Account.

9. Good Standing

Your Account is considered to be in good standing when you are in full compliance with all of the terms of this Agreement. Your Account will not be in good standing if you: (i) fail to make any Minimum Payment by the due date specified on your Account Statement; or (ii) you fail to comply with any other term of this Agreement.

10. How we Apply Payments to the Total Debt

Unless we notify you otherwise (including in connection with any Promotional Credit Plan), we apply any payments received from you in this order: interest; Annual Fee; Other Fees/Cost of Borrowing; and principal amount of your Purchases which is outstanding. If you have paid more than your New Balance, we will apply the extra payment in this order: principal amount of your Purchases which is outstanding; interest; Annual Fee; and Other Fees/Cost of Borrowing. If you pay more than your Total Debt, the excess will be applied to Transactions that have not yet appeared on your Account Statement, using the same payment allocation described in this paragraph.

11. Account Statements

Each month we send an Account Statement to each Cardholder at the address provided above. We will not issue you an Account Statement if there is no outstanding balance and no Transactions have been charged to your Account (including, where permitted by law, any Promotional Credit Plans where payments and interest are waived or reduced in that month). The number of days covered by an Account Statement is between 28 and 33 calendar days depending on when the monthly period applicable to your Account Statement ends.

You must tell us in writing, no later than 30 days following the date of your Account Statement, of any error or omission in your Account Statement. Otherwise, you agree that your Account Statement is correct, except for any amount that we have improperly credited to your Account which we may reverse at any time. If we are delayed in, or prevented from, sending Account Statements for any reason, you must contact us at least once a month to obtain the information required to meet your payment obligations.

12. Card Benefits

We, or third parties, may make special services or benefits available to you which may be subject to additional terms and conditions. All such benefits and services may be modified or cancelled without notice to you. We are not responsible or liable for any product or service supplied by a third party.

13. Our Rights if you Default

If you do not make the Minimum Payment on the date indicated on your Account Statement, or you do not otherwise comply with the terms of this Agreement, or if anything occurs which causes us to believe that you will be unable to make payment or otherwise not be able to comply with the terms of this Agreement, then, subject to any right you may have under applicable law to receive notice of and to cure such default:

- the Total Debt will, at our option, become due and payable despite any other provision in this Agreement, together with interest at the annual rate then applicable on the Total Debt, or if different interest rates apply at that time to different portions of the Total Debt, then at the annual interest rate then applicable to the particular portion of the Total Debt; and
- we may impose the following default charges on your Account:
 - reasonable charges in respect of legal costs incurred in collecting or attempting to collect what is owed to Michael Hill or RCS under this Agreement; or
 - reasonable charges in respect of costs, including legal costs, incurred in realizing a security interest as granted by Section 14 hereunder, or costs in connection with protecting the subject-matter of such security interest after you have defaulted hereunder.

14. Security Interest

You hereby grant us a security interest in any items you, or any person authorized hereunder, purchase using your Account and the proceeds thereof (the "Collateral"). Additionally, you authorize us, or any of our agents or representatives, to file any financing statements showing our security interest in the Collateral without your signature. You further agree that we hold a purchase money security interest in the Collateral. Any item of Collateral will remain as security for all Purchases until such time as the Purchase for that item of Collateral is completely repaid. Where permitted by law, you waive the right to receive a copy of any financing statement or financing change statement registered in connection with the Collateral.

15. Your Liability for Unauthorized Use of Cards

You must inform us immediately by telephone or in writing of any actual or suspected loss, theft or unauthorized use of your Card or your Account. If you report your Card lost or stolen, you will not be liable for any unauthorized transactions that occur after you notify us. You may have to pay up to a maximum of \$50 for any amounts charged to your Account before you notify us.

16. Problems with Merchants

We are not responsible if, for any reason, your Card is not honoured. If you have problems regarding any product or service acquired through the use of your Card, you must settle the problem directly with the merchant. Even if you have a problem with a merchant, you must make at least the Minimum Payment by the due date in order to keep your Account in good standing and you remain responsible for the Total Debt. We shall not be liable for any loss or damage incurred as a result of our inability to authorize or process any Transaction or for taking any other action contemplated by applicable laws.

17. Credits from merchants

If a merchant issues you a credit note, we credit the amount of this note to your Account on the day we receive it. However, if we have charged you any interest as a result of the original Transaction, we will not refund this interest to you.

18. Changing your address

You must provide us prompt notice of any change in your address, your name or any other information about you provided to us under this Agreement or in connection with your Account.

19. Cancellation

We have the right at any time without notifying you in advance, unless required by law, to:

- cancel any Card on your Account;
- terminate any Promotional Credit Plan;
- withdraw your rights and privileges in respect of your Card and Account; and
- require the immediate return or destruction of all Cards.

You may also cancel this Agreement by providing us with written notice of same. Upon cancellation, you are not entitled to use your Card or Account and must repay the Total Debt immediately. You must pay all legal fees and expenses that we incur to recover amounts under this Agreement, as permitted by applicable law. This Agreement remains in effect for as long as the Total Debt remains unpaid.

20. Changes

We may amend this Agreement, including any interest rate and/or Fees, by giving notice to each Cardholder at their most recent address in our records. Any such notice will be provided in accordance with applicable laws. Benefits, coverages or other services associated with your Account or your Card may also change or end upon notice to each Cardholder.

21. Card Ownership

Your Card belongs to us. You do not have the right to assign or transfer your rights and obligations under this Agreement, your Cards or your Account to anyone else, but your obligations shall be binding on your estate and legal representatives.

22. Assignment

We may sell, assign or transfer all or some of our rights or obligations under this Agreement without notice to you. In connection with any sale, assignment or transfer, we may give information about you and your Account to the purchaser or transferee.

23. Severability

If any part of this Agreement is contrary to any applicable law, that part is ineffective without invalidating the rest of this Agreement.

24. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the province or territory in Canada where you resided when this Agreement was entered into and the federal laws of Canada applicable therein. If you have not resided in Canada, this Agreement will be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

25. Definitions

“**Account**” has the meaning specified in the in-store credit card application form above.

“**Account Statement**” means the statement sent to you describing, among other things, the Transactions which have occurred in respect of your Account as further set out in Section 11 of this cardholder agreement.

“**Agreement**” has the meaning specified in the in-store credit card application form above.

“**Card**” has the meaning specified in the in-store credit card application form above.

“**Cardholder**” means the person or persons who have applied as applicant or co-applicant on the in-store credit card application form above.

“**Collateral**” has the meaning specified in Section 14 of this cardholder agreement.

“**Credit Limit**” has the meaning specified in Section 2 of this cardholder agreement.

“**Credit Plan**” means the Regular Credit Plan or a Promotional Credit Plan or both.

“**Effective Date**” means the date of this Agreement as written on the in-store application form above.

“**Fees**” means, collectively, the Other Fees/Cost of Borrowing and any other fee which you may be charged in connection with a Promotional Credit Plan.

“**Michael Hill**” has the meaning specified in the in-store credit card application form above.

“**Minimum Payment**” has the meaning specified in Section 8 of this cardholder agreement.

“**New Balance**” means the amount shown on your Account Statement as the “new balance” which is the balance owing as of the date of the Account Statement.

“**Other Fees/Cost of Borrowing**” means the fees set forth as such in the disclosure statement above.

“**Promotional Balance**” means the balance of your Account relating to a particular

Promotional Credit Plan, as indicated on your Account Statement. For greater certainty, your Account will contain multiple Promotional Balances where you have made Purchases under more than one Promotional Credit Plan.

"Promotional Credit Plan" means a special promotional offer that may be made available to you from time to time as set out in Section 7 of this cardholder agreement.

"Promotional Due Date" means the last day of the Promotional Term.

"Promotional Purchase" means a Purchase made under or in connection with a Promotional Credit Plan.

"Promotional Term" means the period of time in which the terms and conditions of a particular Promotional Credit Plan will apply, as stated in the promotional materials or sales slips or invoices provided by us.

"Purchase" means an advance from us that equals the purchase price of goods and services charged to your Account.

"RCS" has the meaning specified in the in-store credit card application form above.

"Reduced Rate" means a rate of interest which is less than the Regular Rate.

"Regular Credit Plan" means Transactions that are not subject to any Promotional Credit Plan, but includes the balance under a Promotional Credit Plan that has been cancelled or expired.

"Regular Rate" means the nominal annual interest rate that applies to the Regular Credit Plan as set forth in the disclosure statement above.

"Total Debt" means the total amount of all Purchases and other Transactions in respect of your Account.

"Transaction" means any Purchase, interest, Fee, payment, credit or debit adjustment, and other amounts charged to your Account under this Agreement.

HOW TO VOICE YOUR CONCERNS

Retail Credit Solutions Customer Service: If you have any questions or concerns about your Account, please contact the phone number provided on your Account Statement.

Customer Response Team: If your concerns have not been satisfied by Retail Credit Solutions Customer Service, you may contact the Retail Credit Solutions Customer Response Team by telephone at: 1-800-209-8546 or by e-mail at: michaelhill@retailcreditsolutions.com.

Office of the President and Chief Executive Officer:

You may also write to the Office of the President and Chief Executive Officer at:

Office of the President and Chief Executive Officer
5800 Ambler Dr., Suite 210
Mississauga, Ontario. L4W4J4

Michael Hill Jeweller (Canada) Limited Financial Ombudsman:

If your concerns remain unresolved, you may contact the Michael Hill Jeweller (Canada) Limited Financial Ombudsman by telephone at 1-888-415-0222, by email at: credit@michaelhill.com.au or in writing as follows:

Office of the Ombudsman, Michael Hill Jeweller (Canada) Limited
7 Smallwood Place
Murarrie, QLD 4172
Australia

Ministry of Consumer Services (Ontario) Consumer Protection Branch: If you reside in the province of Ontario, you may contact the Consumer Protection Branch of the Ministry of Consumer Services (Ontario) by phone at 1-800-889-9768 or in writing as follows:

Consumer Protection Branch
5775 Yonge St. Suite 1500
Toronto, Ontario
M7A 2E5

Consumer Protection Office (Government of Manitoba): If you reside in the province of Manitoba, you may contact the Consumer Protection Office by phone at (204) 945-3800 or in writing as follows:

Consumer Protection Office
302-258 Portage Avenue
Winnipeg, Manitoba
RC3 0B6

Service Alberta – Consumer Information: If you reside in the province of Alberta, you may contact Service Alberta's Consumer Information by phone at 1-877-427-4088.

Consumer Protection BC: If you reside in the province of British Columbia, you may contact Consumer Protection BC by phone at 1-888-564-9963 or in writing as follows:

Consumer Protection BC
PO Box 9244
Victoria, British Columbia
V8W 9J2



michael hill®

WE'RE FOR LOVE™